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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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1. Economic rivalry among the various Yugoslav republics and regions is bitter and open. FCY leaders, especially from the Vojvodina, Kosmet and Dalmatia, fight desperately in the Central Committee of the FCY for the allocation of government credits to their areas for industrialization, trade development and investment purposes. A frequent result of this competition is the creation of industrial enterprises in unsuitable areas.
2. Some examples of this type of rivalry are as follows:
 - a. Franz Marinz, FCY member, manager of the textile factory at Jarse and Vice-Chairman of the Textile Industry Association stated at a meeting of the association that he had used his Party connections to block the erection of the cotton spinning mills in Stip, but in vain. He stated further that the machinery at the Stip mills is now in bad condition after less than two years of operation, and that production is 40% less than it would have been had the mills been erected in Slovenia.
 - b. Ilija Mihajlovic, FCY member, manager of the silk factory in Zemun, and member of the Executive Committee of the Textile Section of the Engineers and Technicians Association, called a meeting of Association members of Serbian origin to ask them to submit plans for the erection of new textile factories in Serbia. He stated that he would use his Party connections to see that Government credits for the construction of these factories were allotted to Serbia rather than to Slovenia.
 - c. A certain Sefer, (fnu), an official of the Economic Council of the Vojvodina has stated that 80% of the cattle in the Vojvodina were exported by Serbian and Croatian firms, while Vojvodina firms shipped only 20%. He further stated that he was seeking a way to keep the Serbian and Croatian firms from engaging in this trade.

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- 2 -

- d. Toza Bogic, General Manager, and Jcsif Levi, General Secretary of the Produktiva Export-Import firm in Novi Sad, both FCY members, have stated they are using their influence with hemp processing factories to persuade them not to sell to Serbian and Croatian export enterprises but only to Vojvodina firms.



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